

**Minutes of the Meeting  
June 18, 2018**

The Durham County ABC Board met at the administrative office, 2634 Durham Chapel Hill Boulevard, on the 18<sup>th</sup> day of June, 2018.

Board Chair, Andy Miller, called the meeting to order at 5:30 p.m.

Board members Jacqueline Wagstaff, Lawrence Daye and Donald Lebkes were present. General Manager Rufus Sales, Assistant General Manager Eddie Hewlin, attorney George W. Miller, Jr., Durham County ABC Finance Officer Lee Keatts, Durham County ABC Support Services Director Perlle Davis and Durham County ABC Law Enforcement Chief Natausha Pettiford were also in attendance.

**Conflict of Interest Review and Declaration**

Chair Miller read the Board's Conflict of Interest Review and Declaration statement and asked Board members if they have an actual conflict or appearance of a conflict of interest with any items coming before the Board and, if so, does the Board member wish to recuse him or herself from deliberating and voting on the matter. All Board members present verbalized that they have reviewed the agenda and do not have any conflicts.

Chair Miller requested to move agenda item Grant Recommendations to the first item for discussion after Public Comment.

**Consent Item**

The consent item approved was the May 14<sup>th</sup> Board Meeting Minutes. Ms. Wagstaff motioned to approve the meeting minutes as presented. Mr. Lebkes seconded the motion and the Board approved unanimously.

**General Business**

**Public Comment**

Malenia Swinton with Communities in Schools of Durham introduced herself to the Board. Ms. Swinton stated that her organization submitted a grant application and she was following up on the application.

**Grant Recommendations**

Mr. Lebkes reported to the Board that twenty-three grant applications were received requesting a total of \$522K in grant funds. Grant funds available for distribution total \$203,851. Mr. Lebkes noted that the grant subcommittee selected organizations that are not receiving a lot of other funding. The Board discussed awarding the following grants and dollar amounts listed: *(Please correct organization names accordingly or provide me with a list so that I may)*

Campaign4Change	\$15,000.00
Charles Hamilton Houston Foundation, Inc.	\$10,000.00
Durham Business and Professional Chain	\$35,000.00
El Centro Hispano, Inc	\$12,000.00

Exchange Club's Child Abuse Prevention Center	\$15,000.00
LIFE Skills Foundation	\$17,000.00
Milestones Culinary Institute	\$5,081.00
Pathways to Change	\$6,200.00
Quality Education Institute of Durham	\$10,000.00
REAL Kids United/ Gainesville Black Professionals	\$35,000.00
Rebound, Alternatives for Youth	\$31,070.00
StandUp SpeakOut of North Carolina	\$5,000.00
TRP Global, Inc.	\$7,500.00

Ms. Wagstaff motioned to approve the grant awards as recommended by the subcommittee. Mr. Lebkes seconded the motion and the Board approved unanimously.

### **Financial Report**

Mr. Keatts stated that the summary of income statement results was included in the meeting packet. The Board discussed monthly sales figures of comparable ABC Boards.

Mr. Sales provided Board members with pricing information for the purchase of a warehouse van. The Board discussed DCABC warehouse vehicles in use and whether the purchase of a new van is necessary. Mr. Sales stated that a van would be ideal for deliveries of one hundred or less cases of liquor as is often needed for supplemental deliveries to stores. Mr. Lebkes motioned to purchase a van in order to save mileage on the large warehouse trucks. Mr. Daye seconded the motion. The motion did not carry with a 2-2 vote.

Mr. Sales next recommended the purchase of two new law enforcement vehicles. He stated that the two vehicles he plans to replace have high mileage and require high maintenance costs. The Board discussed the law enforcement vehicles and recent repairs needed. Chair Miller suggested purchasing one new law enforcement vehicle this year and an additional vehicle next year. Ms. Wagstaff motioned to replace the 2009 Tahoe this year and consider replacement of another vehicle next year. Mr. Daye seconded the motion and the Board approved unanimously.

Mr. Sales presented a warehouse energy efficiency proposal from Duke Energy. The proposal states that an investment of approximately \$12K will be recouped in energy costs over three years and then there will be energy cost savings each year thereafter. The Board discussed the proposal. Ms. Wagstaff motioned to approve the energy efficiency proposal. Mr. Lebkes seconded the motion and the Board approved unanimously.

### **Support Services Report**

Ms. Davis provided an update on implementation of the new POS system and the go-live date for all stores on July 2<sup>nd</sup>. A training session for store managers is scheduled to take place tomorrow. A new customer ordering system is required and permittees were notified of the changes. The Board discussed the transition to the new POS system and commended Dalcom for their support.

### **Law Enforcement Report**

Chief Pettiford reported to the Board on law enforcement activity for the month including permittee inspections. She stated that more violations were issued as opposed to warnings. It was discovered

that a lot of establishments were not paying for both city and county liquor permits. All permit fees were due April 30<sup>th</sup>. The Board discussed the various liquor violations.

### **General Manager's Report**

Mr. Sales reported on issue raised by the County Commissioners at their work session. He relayed that there is a concern regarding decreased profit before distribution. Mr. Sales stated that minimizing expenses and personnel will help DCABC in this effort. An additional profit distribution to the city and county was requested for the current fiscal year. The Commissioners also recommended DCABC reconsider opening a downtown ABC store. Previous studies on opening a grocery store downtown have shown unfavorable results.

Mr. Sales reported that DCABC will no longer sell gift cards due to the associated expenses and lack of processing compatibility with the new POS system. He noted that gift cards have not proved to generate revenue.

Mr. Sales reported to the Board that three customer complaints pertaining to customer service issues are under investigation and details are forthcoming.

Chair Miller recommended that the Board distribute \$100K to the County as an additional profit distribution for FY2017-18. The Board voted 3-1 in favor of an additional \$100K distribution to the County.

Ms. Wagstaff motioned to adopt the FY2018-19 Budget as amended. Mr. Lebkes seconded the motion and the Board approved unanimously.

### **Other Business**

- **Alcohol Awareness Funding**

Mr. Sales recalled the Board's decision for DCABC to utilize undistributed grant funds for alcohol awareness programs. There is presently \$7,678 available for ABC Law Enforcement to spend on alcohol awareness programs.

- **Create Building and Grounds Subcommittee**

Mr. Lebkes suggested that Board members form a subcommittee to perform a real estate search for future stores and also set up a schedule to upgrade or extend the size of existing stores. Board members Lebkes, Wagstaff and Daye expressed interest in participating in the subcommittee. The subcommittee will commence in August.

- **North Carolina Association of ABC Boards Annual Conference**

Mr. Sales notified the Board that the annual conference of ABC Boards is scheduled on August 6-7<sup>th</sup>. Board members interested in participating should notify the General Manager.

### **Closed Session**

Ms. Wagstaff motioned for the Board to go into closed session per G.S. § 143-318.11(a): (3) to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged; (6) to consider the qualifications, competence, performance, character, fitness, conditions of

appointment, or conditions of initial employment of an individual public officer or employee or prospective public officer or employee; or to hear or investigate a complaint, charge, or grievance by or against an individual public officer or employee. Mr. Lebkes seconded the motion and the Board approved without objection.

**Open Session**

Chair Miller stated that the Board is back in open session.

**Adjournment**

Ms. Wagstaff motioned to adjourn the meeting. Mr. Daye seconded the motion and the Board approved without objection.

Approved By: 